



Amherst Massachusetts

ASSISTANT TOWN MANAGER / FINANCE DIRECTOR

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June 15, 2009

TO: Select Board
Larry Shaffer, Town Manager

FROM: John P. Musante, Assistant Town Manager/Finance Director

CC: Cheri Boucher, Assistant Treasurer

SUBJECT: Sign Notes – Short Term Borrowing

At your June 15 meeting, I will need the Select Board to sign a short-term Bond Anticipation Note (BAN) in the amount of \$1,445,000 and supporting documents for the following purposes, as authorized by Town Meeting:

- \$290,000 for construction of athletic fields at the Plum Brook Recreation Area. The Plum Brook Recreation Area portion is a renewal (rollover) of debt principal remaining from the \$500,000 that was originally authorized by Town Meeting. \$210,000 of this debt has been retired over the past four years;
- \$515,000 for exterior improvements to Town Hall is a renewal (rollover) of debt issued in June 2008, a portion of the \$575,000 authorized at a November 2007 Special Town Meeting. The unissued portion of Town Hall debt will likely be issued later this year;
- \$420,000 for the Bangs Community Center Roof and HVAC project authorized at the 2008 Annual Town Meeting;
- \$220,000 for portable classrooms authorized at a November 2007 Special Town Meeting and the 2008 Annual Town Meeting, a portion of the \$300,000 that was authorized. Most of the remaining balance will likely not be needed.

The Note will be dated June 19, 2009 and will mature on December 16, 2009. The Town received a favorable net interest rate of 1.19% via competitive bid. I am tentatively planning a long-term permanent bond issue in December when these BANs mature and may also refinance other callable long term debt if market conditions warrant.

I will bring the Note and other documents for signature to the meeting.